



Operating Policies and Procedures for Implementation and Administration of Federal Education Programs

Aligned with the Requirements of the New Uniform Grants
Guidance

FY 17-18

Table of Contents

I.	Introduction	1
II.	Financial Management System	2
	A. Financial Management Standards	2
	Identification	2
	Financial Reporting	2
	Accounting Records	2
	Internal Controls	3
	Budget Control	6
	Cash Management	6
	Reimbursement Management.....	6
	Allowable Costs	11
	B. Overview of the Financial Management/Accounting System	11
	C. Budgeting	12
	The Planning Phase: Meetings and Discussions	12
	Before Receiving the Grant Award Letter.....	12
	Reviewing and Approving the Budget	13
	After Receiving the Grant Award Letter	13
	Amending the Budget	14
	Budget Control	15
	D. Accounting Records	15
	E. Spending Grant Funds.....	15
	Direct and Indirect Costs Defined	16
	Determining Whether a Cost is Direct or Indirect	16
	Indirect Cost Rate.....	16
	Applying the Indirect Cost Rate	16
	Determining Allowability of Costs	17
	Selected Items of Cost	19



Frequent Types of Costs	21
Travel.....	21
Helpful Questions for Determining Whether a Cost is Allowable	23
F. Federal Cash Management Policy/Procedures.....	23
Payment Methods.....	24
Reimbursements.....	24
Advances	24
G. Timely Obligation of Funds	24
When Obligations are Made.....	24
Period of Availability of Federal Funds	25
State-Administered Grants	25
Direct Grants	25
Carryover.....	26
State-Administered Grants	26
Direct Grants	26
H. Program Income.....	27
Definition	27
Use of Program Income	27
III. Procurement System	28
A. Responsibility for Purchasing.....	28
B. Purchase Methods	28
Purchases up to \$10,000.....	29
Purchases over \$10,000.....	29
Competitive Proposals	30
Architectural/Engineering Professional Services.....	30
Contract/Price Analysis.....	31
Noncompetitive Proposals (Sole Sourcing).....	31
Educational Consultants and Similar Services	31
Cost Price Analysis and Sole Source.....	32



C. Purchase Cards.....	32
D. Full and Open Competition.....	33
Geographical Preferences Prohibited.....	33
Prequalified Lists.....	34
Solicitation Language.....	34
E. Federal Procurement System Standards.....	34
Avoiding Acquisition of Unnecessary or Duplicative Items.....	34
Use of Intergovernmental Agreements.....	34
Use of Federal Excess and Surplus Property.....	35
Debarment and Suspension.....	35
Maintenance of Procurement Records.....	35
Time and Materials Contracts.....	35
Settlements of Issues Arising Out of Procurements.....	36
Protest Procedures to Resolve Dispute.....	36
F. Conflict of Interest Requirements.....	36
Standards of Conduct.....	36
Organizational Conflicts.....	37
Disciplinary Actions.....	37
Mandatory Disclosure.....	37
G. Contract Administration.....	37
IV. Property Management Systems.....	38
A. Property Classifications.....	38
Equipment.....	38
Supplies.....	38
Computing Devices.....	38
Capital Assets.....	38
B. Inventory Procedure.....	38
C. Inventory.....	39
D. Physical Inventory.....	39



E. Property/Equipment Maintenance.....	40
F. Lost or Stolen Items	40
G. Use of Equipment	40
H. Disposal of Equipment	40
V. Written Compensation Policies	42
A. Time and Effort	42
Time and Effort Standards	42
Time and Effort Procedures	42
Reconciliation and Closeout Procedures	44
Employee Exits	46
B. Human Resources Policies	46
VI. Record Keeping.....	47
A. Record Retention	47
B. Collection and Transmission of Records.....	47
C. Access to Records	48
D. Privacy.....	48
VII. Sub-recipient Monitoring	49
VIII. Frequently Asked Questions.....	52
IX. Legal Authorities and Helpful Resources.....	53
X. Appendix	55



I. Introduction

This manual sets forth the policies and procedures used by the State Board of Education (“the District”) to administer federal funds. The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District’s financial management system, including cash management procedures and procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities.

New employees of the District, new employees of authorized charter schools in the District, and incumbent employees are expected to review this manual to gain familiarity and understanding of the District’s rules and practices. If you have any questions regarding the administration of federal education grants, including questions related to specific federal grant programs, please contact the applicable program office at the Tennessee Department of Education (TDOE).

II. Financial Management System

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

For the successful completion of a grant award, authorized schools must manage the expenditure and use of funds to ensure that grant award goals and terms and conditions are being met, projected milestones are being accomplished, quality materials and services are being received, and other performance goals are being achieved in accordance with the approved grant award. Expenditures must be aligned with approved budgeted items. Any changes or variations from the approved budget will need prior approval from District staff.

A. Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

Identification

The District will identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification will include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity. Each program code within the accounting system for federal reimbursements is linked to the proper CFDA title and number. The accounting system has the ability to run queries to ensure that funds are being paid from the correct program code which is linked to the CFDA identification.

Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or program will be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

Accounting Records

The District will maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation. District accounting records will be kept in the state's Edison accounting system and supported by information located in the state's ePlan system. Each authorized charter school will be responsible for maintaining their own accounting system and keeping records that comply with these requirements.

School Accounting Records:

Green Dot- Bluff City High School:

Bluff City High School (BCHS) maintains accounting records through its financial management and accounting system, Sage 300 ERP. BCHS maintains its accounting records and related financial reports on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, consistent with generally accepted accounting principles (“GAAP”) applicable to special purpose governmental units. Note that cash basis accounting may be deemed appropriate in accordance with GAAP. Under the accrual basis of accounting, expenses are recognized when services are performed or goods are received. To provide an accurate and auditable record of all financial transactions, BCHS books, records, and accounts should be maintained in conformity with GAAP as required by state statutes applicable to charter schools.

Further, BCHS specifically requires that:

- No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the school.
- Receipts and disbursements must be fully and accurately described in the books and records of the school.
- No false entries may be made on the books or records nor any false or misleading reports issued.
- Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

Internal Controls

Effective control and accountability will be maintained for all funds, real and personal property, and other assets. The District will adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant program and to further the selected objectives; and
- Compliance with applicable laws and regulations.

District Internal Controls:

The District’s internal controls are largely managed by TDOE accounting and built into the state’s Edison accounting system. For more information regarding these internal controls, see the TDOE Risk Management manual, available upon request.

In addition to TDOE internal controls, the District's staff will implement a number of internal controls including the following:

- Review and approval duties for all State Board/District invoices and expenses are split between the District Executive Administrative Assistant/Special Projects Coordinator (EAA/SP) and the Executive Administrative Assistant (EAA), with final approval by the Director of Schools.
- Backup authority for approvals is assigned to the Director of Legislative Affairs.
- State Board/District employees are prohibited from approving their own expense requests.
- The District/State Board petty cash account requires two (2) signatures for all expenditures. The EAA/SP, Director of Charter Schools, and Director of Schools are all authorized signatories.
- The Director of Legislative Affairs is responsible for reconciling the petty cash account on a regular basis.

School Internal Controls:

Green Dot- Bluff City High School:

- Compliance with Laws: Bluff City High School (BCHS) and its national CMO Green Dot Public Schools (GDPS) will follow all the relevant laws and regulations that govern charter schools within the state of Tennessee. Additionally, U.S. laws and regulations that relate to grant funding will be complied with as the grant funding is received.
- Signing Authority: Only specific employees will be authorized to encumber and make representations on behalf of GDPS/BCHS. Those employees are responsible for making authorizations in accordance with policies applicable to the specific item being authorized. Employees who are not authorized to encumber and make representations on behalf of GDPS/BCHS and do so may be disciplined up to and including termination. In addition, thresholds and limitations may apply. All accounts payable checks greater than \$10,000 require dual signatures prior to the release of the check. All ACH payments require two (2) authorizations and bank transfers between GDPS accounts require single authorization. Bank transfers to third-party accounts are not permitted. Wire transfers will be authorized and performed by the Chief Financial Officer. Contracts extending beyond one (1) year, those which include a recurring clause, or those with a total cost of more than \$120,000 per year require GDPS National Legal, Procurement, and Chief Financial Officer review prior to execution.
- Security of Financial Data:
 - GDPS/BCHS accounting software (Sage 300 ERP) will be reviewed to ensure that general and application controls to unauthorized access to data is precluded (i.e., proper password protection and authorizations for inquiry or browse-only functions.).
 - The system's accounting data must be backed up daily through Equation Technologies to ensure the recoverability of financial information in case of hardware failure. The backup is automatically performed off-site and is the responsibility of Equation Technologies.
 - All other financial data, collected cash and checks, unused checks, and unclaimed checks must be secured by the BCHS School Operations Manager and Home Office Accounts Payable Manager from unauthorized access.
- Security of Documents: Originals of the following corporate documents will be maintained and their presence verified on a periodic basis:

- Charters and all related amendments
- GDPS bylaws
- Minutes of Board of Directors and subcommittee meetings
- Banking agreements
- Leases or rental agreements
- Insurance policies
- Vendor invoices
- Grant and contract agreements
- Fixed asset inventory list
- Contract and grant billings
- Financing agreements and debt payment schedules
- Due Diligence: GDPS, in recognition of its fiduciary responsibilities, periodically will perform audits and reviews of its processes and departments'/schools'/employees' compliance with these policies. Periodic audits can be expected for:
 - Accounts payable
 - Accounts receivable
 - Attendance reporting
 - Construction expenditures
 - Consulting services
 - Corporate credit card charges
 - Deposits
 - Expense report reimbursements
 - Fundraising
 - Meal reporting
 - Mileage reimbursement claims
 - Payroll
 - Purchasing
 - Restriction of funds usage compliance
 - Federal restricted funds
 - State restricted funds
 - Private contract and grants funds
 - Tax compliance
 - Use of preferred vendors
 - Use of assets

GDPS/BCHS employees should not use any of the organization's assets for personal use without



the prior written approval of the employee's manager, as appropriate.

- **Invoicing:** Any invoice sent to an individual or business on behalf of GDPS/BCHS must be prepared and sent from the accounting department in order to ensure accuracy of billing and the most up-to-date invoice template should be used. Invoices must be reviewed by the Assistant Controller or Controller before being sent. Invoices must be saved in the form of a PDF document only.
- **Centralized Processing:** Because of the demands of centralized supporting departments, it is necessary to use the home office address and contact information for all official correspondence. Business documents (e.g., vendor invoices, consultant contracts) should be addressed directly to GDPS and, if not, promptly forwarded to the appropriate home office department for processing.

Additional information on internal controls utilized by BCHS and GDPS are available in the GDPS Finance and Accounting Policies manual upon request.

Budget Control

Actual expenditures or outlays will be compared with budgeted amounts for each federal award.

Federal grant reimbursements will only be processed if adequate budget dollars exist in each federal award for each expenditure and if such costs are allowable. In addition, prior to processing any reimbursement, the District Federal Programs Coordinator is required to verify there are sufficient funds in the proper account code to purchase the item and also verify that the item being purchased has been approved in the grant application or revision.

All reimbursements must follow the procedures outlined by the District. For additional information about reimbursements, please see the section titled "Reimbursement Management".

Cash Management

The District must maintain written procedures to implement the cash management requirements found in EDGAR.

The District's federal grants are reimbursable grants. Reimbursements must follow the procedures outlined by the State Board and will only be made on allowable costs. Schools are required to submit for reimbursements on a monthly basis. For additional information about reimbursements, see the section titled "Reimbursement Management".

Reimbursement Management

Specific procedures are designed to expedite payment to schools for out-of-pocket expenses related to each grant award. This section describes the steps for grant reimbursements. The source of grant funding for each award is indicated in the award letter that is included in the grant award notification.

Prerequisites to the Reimbursement of Funds

Prior to making any grant-related expenditures or requesting a reimbursement of funds, the recipient must complete the following administrative prerequisites:

- The grant award documents provided must be completed and returned to District staff prior to the recipient's initial reimbursement of funds request.

Purpose of Reimbursement Requests

Federal regulations consider reimbursement the preferred basis for grant payments (2 CFR/UGG 200.305). A request for reimbursement of funds is necessary for the purpose of documenting that costs eligible for reimbursement have been incurred, and thus the school is requesting to be reimbursed for those costs. Reimbursement of liquidated expenditures is made upon the acceptance/approval of a claim with the grantor (District).

Contents of a Complete Reimbursement Package

The contents of a complete reimbursement package include the following:

- Signed coversheet/invoice
- Reimbursement workbook (break out of expenses by account and functional code)
 - Expenses must align to the approved budget
- Detailed explanation of expenses
- Supporting documentation (Payroll summary, paid invoice, etc.)
- PARs or semi-annual certifications
- All reimbursements and supporting documentation should be placed in a ZIP file and submitted to the District Federal Programs Coordinator at Stateboard.Schools@tn.gov.

***All or nothing – Any reimbursement packet missing any of the above items or deemed to have unallowable programmatic or fiscal items will be immediately returned for re-submission**
Please note the entire packet must be re-submitted for processing*

Reimbursement Procedures

The District shall disburse funds to the grantee/school pursuant to the grant agreement on a reimbursement basis. The grantee/school shall submit reimbursement requests with required expenditure documentation, as defined in this document, and submit to the District Federal Programs team (FP) for review and approval. A reimbursement request may be submitted no less than monthly after the grantee/school has received the fully executed grant award.

The following procedures will be used in the receipt, processing, and payment of grant reimbursement requests:

- a. Submission of Packet by Operator



The operator will submit reimbursement requests (worksheet, supporting documentation) to the District Federal Programs team at Stateboard.Schools@tn.gov. The reimbursement request will be reviewed by the District Federal Programs Coordinator for correct format and completion and logged on the District's tracker. The packet will then be submitted to the TDOE for program review. NOTE: For homeless set-aside reimbursement requests, schools will use a separate homeless reimbursement request packet provided to schools at the time they receive their grant award notifications. These packets will skip steps (b.) and (c.) below and will instead be reviewed for allowability by the District Federal Programs Coordinator and the Director of Charter Schools. After approval by the District Federal Programs Coordinator and Director of Charter Schools, these packets will move on to step (d).

b. Programmatic Review (TDOE Federal Programs Manager)

TDOE Federal Programs Manager will retrieve the requests submitted from the District Federal Programs Coordinator and log them on the tracker. The Federal Programs Manager will review the requests for accuracy (accurate information, proper file naming conventions, appropriate supporting documentation, and accurate amounts) as well as:

- Review Coversheet:
 - Ensure all proper signatures are present from the grantee/school
 - Ensure reimbursement dates on cover sheet align to intended window of expenses
 - Signatures do not predate expense window
- Review Workbook: (Submit in PDF & Excel versions)
 - Ensure the budget represents the most currently approved version
 - Ensure all expense lines are in account code lines that have budget a) present and b) available
 - Ensure all formulas across request template have not broken
 - Ensure total on workbook matches total on coversheet
 - Ensure vendor invoices are provided
 - Check travel expenses: If contractor, follow the contractor's policy and rules of the agreement. If sub-recipient listed, follow District/school policies (expense report signed by employee and manager, that clearly states purpose of travel, dates, and line items as applicable; would recommend using per diem)
 - Check payroll: Benefit breakout must match PARS; must include PARS/semi-annual certification (SA)/Notice of SA; must provide payroll report

The TDOE Federal Programs Manager will contact schools within seventy-two (72) business hours of submission with questions or concerns regarding packets submitted. The District Federal Programs Coordinator will be copied on all correspondence. Requests will not be processed further until all information is received.

Once the first review is complete, the TDOE Federal Programs Manager will forward them to the TDOE Federal Programs Director for further review.

c. Programmatic/Allowability Review (TDOE Federal Programs Director)

- The Federal Programs Director will check the reimbursement requests for allowability, allocability, and reasonableness (allowable costs, relevance to grant requirements, accuracy to budget categories, fit within awarded budget amounts, etc.)
- Once the second review is approved, the Federal Programs Director will email the packet to the District Federal Programs Coordinator stating that it has been approved.

d. Administrative Review (Director of Schools, Executive Administrative Assistant, Federal Programs Coordinator)

- After receipt of TDOE approval, the District Federal Programs Coordinator will sign the coversheet of the reimbursement packet and scan and email it to the District Executive Administrative Assistant (EAA). The EAA will log receipt of the packet in the District's tracker, fill out the additional AP coversheet, place the packet and coversheet in a folder marked ready for signature and deliver the packet and coversheet to the Director of Schools for signature.
- The Director of Schools will review each packet. If approved, the Director of Schools will sign the requests for payment.
- After the Director of Schools signs the requests, they will then be returned to the EAA who will log the date of the Director of Schools signature in the District's tracker, scan the signed packet, and send via e-mail to the District Federal Programs Coordinator.
- The District Federal Programs Coordinator will receive the signed copies from the EAA, save the copies on the "M" drive in the appropriate school's folder in the file labeled "Approved Reimbursements," and update the tracker to show that the requests are ready for payment. This will serve as the officially approved and ready for payment invoice.
- The Federal Programs Coordinator will then begin finance review of the requests.

e. Finance Review (Federal Programs Coordinator, Executive Administrative Assistant, and Executive Administrative Assistant/Special Projects Coordinator)

- The Federal Programs Coordinator will log receipt of the request in the District's financial tracker for the corresponding grant program to ensure that reimbursements are being requested from line-items that are in the approved budget in ePlan and that the school has sufficient money available in that line item. The tracker will also include a list of what packets make up each receipted amount (when the District has multiple schools).

- The Federal Programs Coordinator will notify the EAA that the reimbursement packet/invoice is ready for payment.
 - The EAA will forward the reimbursement packet/invoice to the District Executive Administrative Assistant/Special Projects Coordinator (EAA/SP) who will enter the reimbursement/invoice under the P.O. to draw down funds in Edison. The EAA/SP will regularly check Edison for approval status of the invoice. Once the invoice is approved in Edison by TDOE, the EAA/SP will dispatch the invoice and receive a receipt number. The EAA/SP will note the receipt number on the invoice and return to the EAA.
 - The EAA will submit the AP coversheet and signed packet to Accounts Payable at TDOE for payment, and label it as an immediate pay item. The EAA will file the hard copy of the invoice in the Federal Reimbursement invoice hard file and save it on the “M” drive under “Invoices Submitted to AP for Payment.” The Director of Charter Schools will check Edison and note the voucher number of the invoice in the finance tracker.
 - Twice per week, the EAA/SP will complete a query from Edison which includes information needed to see if and when requests were paid.
 - The EAA/SP will notify the Federal Programs Coordinator via e-mail of the date the requests/vouchers were paid, and the Federal Programs Coordinator will enter the date in the tracker.
- f. EPlan Entry (District Federal Programs Coordinator/ Executive Administrative Assistant/ Director of Charter Schools)
- When the voucher has been logged on the tracker as paid, the District Federal Programs Coordinator will begin the reimbursement process for the District.
 - The Federal Programs Coordinator will request payments from ePlan by line item by rolling-up all approved packets for a grant and entering them into ePlan for reimbursement. The Federal Programs Coordinator will also log the ePlan entry date of the packets on the District’s tracker.
 - Once the reimbursement has been entered into ePlan, the Federal Programs Coordinator will notify the EAA that the journal voucher process is ready to begin. The EAA will send the AP coversheet to the TDOE Finance Director for creation of a journal voucher and will note on the District’s tracker the date it was sent.
 - The Federal Programs Coordinator and Director of Charter Schools will continuously track and monitor reimbursements submitted in ePlan and Edison.
 - Once the reimbursement request has been paid, the Director of Charter Schools will log completion/payment of the voucher on the District’s tracker and notify the Federal Programs Coordinator.

After conducting its review, including a review of any additional supporting documentation, the District Federal Programs team will reimburse grantee/school for only those expenditures in the reimbursement



request that the District Federal Programs team determines are adequately documented, allowable, reasonable, necessary, and allocable under applicable federal statutes, regulations, and the terms and conditions of federal awards. The District Federal Programs team will notify the grantee/school contact person by email once the review of the request for reimbursement is completed and payment approved.

If any expenditures are deemed unallowable, the District Federal Programs team will ask the grantee/school to adjust the financial records for the relevant grant to remove the expenditure, or the portion of the expenditure, that is unallowable. The District Federal Programs team will verify that the grantee/school has made these adjustments by requiring it to submit a revised reimbursement workbook. The grantee/school must complete any adjustments by the end of the grant period.

Grantees should expect to be reimbursed for funds within thirty- (30) days of the District Federal Programs team receiving their reimbursement request. The thirty- (30) day timeframe begins when a full reimbursement request is approved. All acceptable proof of expenses must be met for all the incurred charges on the reimbursement request. If there is documentation missing, the thirty- (30) day clock does not start until that documentation is submitted and approved.

Allowable Costs

The District will maintain written procedures for determining allowability of costs in accordance with EDGAR. See the Spending Grant Funds section for additional information.

B. Overview of the Financial Management/Accounting System

District Accounting System:

The District's financial management system is the state's Edison accounting system coupled with the state's ePlan system. Approval structure and internal controls are maintained within the Edison system. Edison issues reports and tracks revenues, expenditures, balance sheets, budgeted items, etc.

School Accounting Systems:

Each District school must report to the District on an annual basis the name of their financial management/accounting system along with a description of the financial management/accounting system used by the school.

Green Dot-Bluff City High School:

The financial management and accounting system utilized by Bluff City High School (BCHS) is Sage 300 ERP.

Procurement: Procurement is managed by the Green Dot Public Schools (GDPS) Purchasing Manager in the operations department. The Purchasing Manager and IT department work together to maintain inventory on Excel sheet schedules. Purchases are approved by authorized



personnel through the Expense Watch system. Once items purchased are received, inventory is maintained for assets that require an inventory count. However, equipment is not typically purchased with federal funds per federal guidance.

Budgeting: The budget for BCHS is loaded into the accounting system after approval by the Green Dot Public Schools Tennessee (GDPST) Board of Directors, usually in June. Budgets are uploaded by the Finance team which is composed of three (3) directors (one for each region) and three (3) analysts. Budgets are set up in Excel sheet templates that are then imported into the accounting system. Budgets are tracked in the system according to segment codes that identify funding source, expense account, school/department, and funding purpose. Budget responsibility is ultimately on the BCHS principal. Budget preparation and oversight is a joint responsibility of the Director of Finance at GDPS and the Director of Finance and Operations for Green Dot Public Schools Tennessee (GDPST), with additional oversight from the GDPST Executive Director and GDPS CFO. For accounts payable, GDPS' Accounts Payable team processes invoices and cuts checks with the approval of the BCHS principal, GDPST Director of Finance and Operations, and/or GDPST Executive Director (depending on the amount of the invoice).

Identification and Tracking of Funds: Funds are identified by the four (4) digit "Resource" and a four (4) digit "Goal" segment codes of the general ledger account string. The "Resource" identifies the funding source, i.e. Federal Title I, Part A funds; and the "Goal" identifies purpose or activity.

Financial Reporting: The Compliance Team within the Finance and Accounting department is responsible for financial reporting and expense tracking for grants and contracts awarded. The Compliance team is composed of three Senior Special Programs Accountants (SSPA) and one Compliance Manager. Each SSPA is responsible for specific grants/contracts and the recording of their expense and revenue transactions. The Compliance Manager reviews expenses and revenues on a monthly basis and approves any reports before they are signed and submitted to the District finance office. Reports are submitted on a monthly basis by SSPA after they have been reviewed and approved. Expense, revenue, and accounts receivable transactions are reviewed monthly with the Finance team and the GDPST Director of Finance and Operations. Actual expense and revenue transactions are reviewed against budget line items according to the grant/contract award.

C. Budgeting

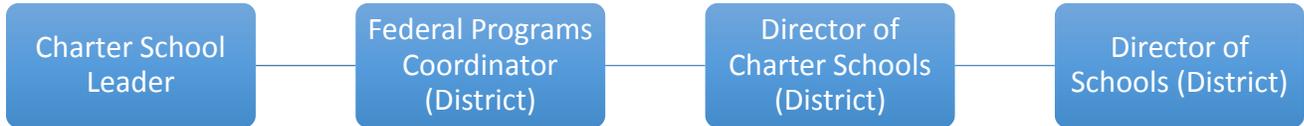
The Planning Phase: Meetings and Discussions

Before Receiving the Grant Award Letter:

The District, as well as its authorized charter schools, will complete an annual needs assessment on ePlan. These needs assessments are determined by planning teams consisting of various District and school personnel which may include the Director of Schools, District staff, CMO personnel, school principals, teachers, and parents, as set forth in ESSA. The needs assessments are based on an analysis of District and school data and serve as a decision-making guide to determine funding needs and priorities based on District and school goals. Early budget decisions are based on the prior year's award (if possible), and adjustments are made once the grant award letter is received and funds are determined. Each school

must undergo a budget process based upon the school’s needs assessment and submit its proposed budget to the District in early Spring. District personnel responsible for budgeting include, but are not limited to: Director of Schools, Director of Charter Schools, and the Federal Programs Coordinator.

Budget Process Flow Chart:



[School Operating Budget 2200](#)

Reviewing and Approving the Budget: After the proposed school budgets are submitted to the District Federal Programs Coordinator in early Spring, the Federal Programs Coordinator will review the items in the budget to ensure fiscal allowability. District Federal Programs personnel will also work with the TDOE to determine federal allowability. (See the Determining the Allowability of Costs section for a discussion on performing allowability determinations.) If District or TDOE personnel determine that a cost is not allowable, the budget will be sent back to the school leader for adjustments to meet allowability. Once it is determined that all expenditures are allowable, the budget will be sent to the Director of Charter Schools and then to the Director of Schools for final review and approval. Generally, the budget will receive final approval in May. Once the budget is approved, it is uploaded into ePlan.

[School Operating Budget 2200](#)

After Receiving the Grant Award Letter

If the grant award notification received by the District from the state is less than the amount budgeted, District staff will meet to discuss adjustments that need to occur.

District staff will provide schools with a grant award notification (GAN) containing specific information required under 2 C.F.R. 200.302 such as the grant recipient information, code of federal domestic assistance (CFDA) number, the title of the grant program, the name of the federal funding agency, grant award period, amount of the authorized award funding, grantor’s contact information, and terms and conditions of the award.

Upon receipt of the GAN, grantees/schools must review the notice and sign the acceptance form agreeing to the terms and conditions of the award.

In accepting the grant award, grantees’/schools’ responsibilities will include the following:

- Compliance with all policies related to the grant.
- Compliance with the terms and conditions of award.



- Spending funds only for authorized purposes.
- Implementing systems to ensure proper management and oversight of funds and to avoid fiscal fraud and mismanagement.
- Management and monitoring of each project, program, sub-award, function, or activity supported by the award.
- Safeguarding U.S. government assets.

The grant period of obligation commences on the begin date of the award period and ends on the last day of the award period. During the grant period, a grantee may charge only allowable costs resulting from obligations incurred during the funding period to the award.

Overview of Grant Award Documents

Each school will receive a grant award package which will include the following:

- Award Notice: Official document signed by the authorized official stating the amount and the terms and conditions of the grant award.
- Policies and Procedures for the Administration of Federal Education Programs (this document): a resource for schools receiving grant awards from the State Board, which includes information related to the functional operations of the grant awards.
- Reimbursement Request Workbooks: Excel workbooks will be provided to the grantee to use in documenting that costs eligible for reimbursement have been incurred and requesting cost reimbursement from the State Board. Reimbursement of liquidated expenditures is made upon the filing of a claim with the State Board. Reimbursement should not be requested until the actual expenditures have occurred and have been paid for (liquidated).
- Standard Forms: Semi-annual certification form, personnel activity report form, budget request form, release of funds form, grant close-out form, etc.

Amending the Budget

It is expected that schools will make every attempt to adhere to their awarded grant budget. However, the District recognizes that changes to the budgets and timelines may become prudent or unavoidable. Anticipated budget amendment windows are in September/October and again in January/February. The Federal Programs team will send schools an e-mail outlining specific budget amendment windows and the timeframe to return a request for a budget amendment. The process for requesting a budget amendment is as follows:

- A request for budget change must be submitted to the Federal Programs team by the deadline set forth in the e-mail sent to schools.
- Requests for budget change must include the following information: school's name, name/phone number/email address of contact person, summary description of the change requested to include budget line-items affected, description of alignment to the District plan and school plan, and documentation supporting the change (if applicable).

- The Federal Programs team will review the request and provide a response to the school within seventy-two (72) business hours of receipt of request.
- If the request is approved by the District Federal Programs team, the amendment will be submitted to the state via ePlan.
- If the state approves the requested budget amendment, the grant award notification will be amended to reflect the approved budget change and a revised workbook will be provided to the school to include the approved revised budget.

Any changes or variations from the state-approved budget and grant application need prior approval from the District and state.

Budget Control

The District monitors its financial performance by comparing and analyzing actual results with budgeted results. All schools will receive a monthly budget statement which will include detailed updates on the grant allocations, payments made, payments pending, and remaining balances for each award. Monthly budget reports will be provided to schools around the 15th day of each month. Monthly budget reports will be provided each month beginning in the month following Grant Acceptance and recurring through Grant Closeout. The information provided in the reports directly relate to the approved grant budget included with the GAN and lists information such as the following:

- Total grant dollars awarded;
- Total funds expended to-date (if applicable);
- An indication of the funds in progress to be approved for payment;
- Total funds remaining; and
- Comments (if applicable).

D. Accounting Records

The District and its schools will follow the Tennessee LEA Uniform Chart of Accounts. Please see the section titled Financial Management Standards for additional information on District and school accounting records.

[Accounting System 2700](#)

E. Spending Grant Funds

The process used to determine what items (goods and services) should be included in the budget is based upon the District's and each individual school's needs assessment. District and school staff make decisions on specific items to be included based on the current needs assessments. While developing and reviewing the grant budget, District staff (Director of Schools, Director of Charter Schools, Federal Programs



Coordinator, etc.) and school staff (principals, CMO staff) should keep in mind the difference between direct costs and indirect costs.

[Revenue and School Fees 2400](#)

[Expenditure of Funds 2800](#)

Direct and Indirect Costs Defined

Determining Whether a Cost is Direct or Indirect: Direct costs are costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. (2 C.F.R. § 200.413(a)) Indirect costs are costs that have been incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. (2 C.F.R. § 200.56) Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. (2 C.F.R. § 200.413(a))

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of federal awards. Typical costs charged directly to a federal award are the compensation of employees who work on that award, their related fringe benefit costs, and the costs of materials and other items of expense incurred for the federal award. (2 C.F.R. § 200.413(b)) The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not also recovered as indirect costs. (2 C.F.R. § 200.413(c))

Indirect Cost Rate: TDOE approves indirect cost rates for one (1) year. If the District chooses to utilize indirect costs, it must follow the state indirect cost rate set by the TDOE.

Applying the Indirect Cost Rate: Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. (34 C.F.R. § 75.564; 34 C.F.R. § 76.569) Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For direct grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. (34 C.F.R. § 75.564)

Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges.

Determining Allowability of Costs

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state.

When determining how the District and authorized charter schools will spend grant funds, District and school staff will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on a proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. § 200.403, which are provided in the bulleted list below. District staff must consider these factors when making an allowability determination.

- *Be necessary and reasonable for the performance of the federal award.* District and school staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, “reasonable” means that sound business practices were followed and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or authorized charter school or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm’s-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
- Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award’s cost. (2 C.F.R. § 200.404)

While 2 C.F.R. § 200.404 does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need and can prove it. For

example, the District may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
 - Whether the cost is identified in the approved budget or application.
 - Whether there is an educational benefit associated with the cost.
 - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
 - Whether the cost addresses program goals and objectives and is based on program data.
-
- *Be allocable to the federal award.* A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. (2 C.F.R. § 200.405) For example, if 50% of a teacher’s salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
 - *Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.*
 - *Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.*
 - *Use consistent treatment.* A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
 - *Be adequately documented.* All expenditures must be properly documented.
 - *Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in Part 200.*
 - *Not be included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.* Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
 - *Be the net of all applicable credits.* The term “applicable credits” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To



the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. (2 C.F.R. § 200.406)

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state and District/school-level requirements and policies regarding expenditures to be followed as well. For example, state and/or District/school policies relating to travel or equipment may be narrower than the federal rules, and the stricter state and/or District/school policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under state law.

Selected Items of Cost

Part 200 examines the allowability of fifty-five (55) specific cost items (commonly referred to as selected items of cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or state/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District/school personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The District must follow these rules when charging these specific expenditures to a federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, state, District, and program-specific rules may deem a cost as unallowable, and District personnel must follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

<u><i>Item of Cost</i></u>	<u><i>Citation of Allowability Rule</i></u>
Advertising and public relations costs	2 C.F.R. § 200.421
Advisory councils	2 C.F.R. § 200.422
Alcoholic beverages	2 C.F.R. § 200.423
Alumni/ae activities	2 C.F.R. § 200.424
Audit services	2 C.F.R. § 200.425
Bad debts	2 C.F.R. § 200.426
Bonding costs	2 C.F.R. § 200.427
Collection of improper payments	2 C.F.R. § 200.428

Commencement and convocation costs	2 C.F.R. § 200.429
Compensation – personal services	2 C.F.R. § 200.430
Compensation – fringe benefits	2 C.F.R. § 200.431
Conferences	2 C.F.R. § 200.432
Contingency provisions	2 C.F.R. § 200.433
Contributions and donations	2 C.F.R. § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 C.F.R. § 200.435
Depreciation	2 C.F.R. § 200.436
Employee health and welfare costs	2 C.F.R. § 200.437
Entertainment costs	2 C.F.R. § 200.438
Equipment and other capital expenditures	2 C.F.R. § 200.439
Exchange rates	2 C.F.R. § 200.440
Fines, penalties, damages, and other settlements	2 C.F.R. § 200.441
Fund raising and investment management costs	2 C.F.R. § 200.442
Gains and losses on disposition of depreciable assets	2 C.F.R. § 200.443
General costs of government	2 C.F.R. § 200.444
Goods and services for personal use	2 C.F.R. § 200.445
Idle facilities and idle capacity	2 C.F.R. § 200.446
Insurance and indemnification	2 C.F.R. § 200.447
Intellectual property	2 C.F.R. § 200.448
Interest	2 C.F.R. § 200.449
Lobbying	2 C.F.R. § 200.450
Losses on other awards or contracts	2 C.F.R. § 200.451
Maintenance and repair costs	2 C.F.R. § 200.452
Materials and supplies costs, including costs of computing devices	2 C.F.R. § 200.453
Memberships, subscriptions, and professional activity costs	2 C.F.R. § 200.454
Organization costs	2 C.F.R. § 200.455
Participant support costs	2 C.F.R. § 200.456
Plant and security costs	2 C.F.R. § 200.457
Pre-award costs	2 C.F.R. § 200.458
Professional services costs	2 C.F.R. § 200.459
Proposal costs	2 C.F.R. § 200.460
Publication and printing costs	2 C.F.R. § 200.461
Rearrangement and reconversion costs	2 C.F.R. § 200.462
Recruiting costs	2 C.F.R. § 200.463
Relocation costs of employees	2 C.F.R. § 200.464
Rental costs of real property and equipment	2 C.F.R. § 200.465
Scholarships and student aid costs	2 C.F.R. § 200.466
Selling and marketing costs	2 C.F.R. § 200.467
Specialized service facilities	2 C.F.R. § 200.468

Student activity costs	2 C.F.R. § 200.469
Taxes (including value added tax)	2 C.F.R. § 200.470
Termination costs	2 C.F.R. § 200.471
Training and education costs	2 C.F.R. § 200.472
Transportation costs	2 C.F.R. § 200.473
Travel costs	2 C.F.R. § 200.474
Trustees	2 C.F.R. § 200.475

Likewise, it is possible for the state and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult federal, state and District requirements when spending federal funds. For example, often the state’s travel rules are more restrictive than federal rules, which means the state’s policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Every Student Succeeds Act (ESSA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance, and grant award notifications.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these state and District rules and ensure they are complying with these requirements.

- [Bonded Employees 2600](#)
- [Purchasing and Contracts 2805](#)
- [Gifts and Bequests 2401](#)
- [Insurance 3600](#)
- [Revenue and School Fees 2400](#)
- [Investment of Funds 2402](#)
- [Audits 2703](#)
- [Expenses and Reimbursements 2804](#)

Frequent Types of Costs

Travel: Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip and results in charges consistent with those normally allowed in like circumstances in the recipient’s non-federally funded activities and in accordance with the recipient’s written travel reimbursement policies. (2 C.F.R § 200.474(a))



Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school or District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award and (2) the costs are reasonable and consistent with the District's or school's established policy. (2 C.F.R § 200.474(b))

District Lodging, Travel, and Meal Expenses Policy:

The District follows the State of Tennessee Department of Finance and Administration's Comprehensive Travel Regulations. A copy of the regulations is available [here](#).

[Expenses and Reimbursements 2804](#)

Authorized Charter School Travel Policies:

Pursuant to State Board policy, each authorized charter school shall develop its own policy regarding approval and authorization of travel. All employee travel shall comply with the authorized charter school's travel policy. Each authorized charter school's travel policies and procedures shall clarify that reimbursements for lodging, food, and mileage expenses will only be reimbursed up to the then-current GSA reimbursement rates.

When submitting reimbursement for travel/lodging expenses, District schools must:

- Ensure that the travel requested has already occurred (you may not submit for reimbursement prior to the date of travel)
- Include proof of travel (hotel invoice, boarding pass, rental car invoice, shuttle/cab receipts, etc.)
- Include proof of expenses (invoice and/or receipts)
- Include a copy of the agenda or related materials such as registration receipt, if the travel is for a conference or professional development
 - If requesting reimbursement for conference lodging that exceeds the GSA rate, schools must submit a statement outlining their justification for the lodging expense including whether the approved conference rate was used and how staying at the conference hotel maximized efficiency.

When submitting reimbursement for meal expenses:

- Meals cannot exceed the approved GSA per diem schedule (rates can be found at <http://www.gsa.gov/portal/content/104877>)
- Alcoholic beverages are not allowed for reimbursement
- Use separate bills for alcoholic beverages and meals (only submit receipts for meal expenses)

Green Dot- Bluff City High School:

For additional information on the specific travel policies for BCHS, please see the Green Dot Public Schools Finance and Accounting Policies Manual, available upon request.

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, District and/or school personnel can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program-specific fiscal rules?
 - For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, District and/or school personnel should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Every Student Succeeds Act (ESSA) must only be spent on instruction programs for English Learner (EL) students and cannot be used to benefit non-EL students.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, District and/or school personnel should review data when making purchases to ensure that federal funds meet these areas of concern.

F. Federal Cash Management Policy/Procedures

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 C.F.R. Part 205. Generally, the District receives payment from the TDOE on a reimbursement basis. (2 C.F.R. § 200.305) However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses. (2 C.F.R. § 200.305(b)(9))



According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, in any situation where the state draws from the G5 system in advance of the District using non-federal funds to pay vendors and/or employees, the only events and dates that are relevant are 1) the date on which the federal grant funds are drawn down by the state and 2) the date on which those funds are disbursed by the District. Any interest earned on those funds while on-deposit in the District's bank account after drawdown and before disbursement must be included in the interest earned calculation.

Payment Methods

Reimbursements: All reimbursements are based on actual disbursements, not on obligations. The District may initially charge federal grant expenditures to non-federal funds.

The District Federal Programs Coordinator will request reimbursement for actual expenditures incurred under the federal grants **at least monthly**. Reimbursement requests will be submitted via ePlan.

All reimbursement requests must be approved prior to submission in ePlan in accordance with the reimbursement procedures outlined in the Reimbursement Management section of this document.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures such as invoices, time sheets, payroll stubs, etc. and will make such documentation available for TDOE review upon request.

Reimbursements of actual expenditures do not require interest calculations.

Advances: While not anticipated, to the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures within 72 hours of receipt. The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will calculate interest earned on cash balances after 72 hours of receipt of advance payments.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual/average interest rate. The District may retain up to \$500 of interest earned per year. Within thirty (30) days of the end of the quarter, the District will remit interest earned on ED grants in excess of \$500 to Department of Health and Human Services Payment Management System, Rockville, MD 20852.

G. Timely Obligation of Funds

When Obligations are Made

Obligations are orders placed for property and services, contracts, and subawards made and similar transactions during a given period that require payment by the non-federal entity during the same or a future period. (34 C.F.R. § 200.71)

The following table illustrates when funds are determined to be obligated under federal regulations:

<i>If the obligation is for:</i>	<i>The obligation is made:</i>
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. part 200, Subpart E- Cost Principles	On the first day of the project period

34 C.F.R. § 75.707; 34 C.F.R. § 76.707

Period of Availability of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. (34 C.F.R. § 76.707) This period of time is known as the period of availability. The period of availability is dictated by statute and will be indicated in the grant award letter. Further, certain grants have specific requirements for carryover funds that must be adhered to.

State-Administered Grants: As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is twenty-seven (27) months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the “Tydings Amendment” is twenty-seven (27) months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. (34 C.F.R. § 76.709) For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

Direct Grants: In general, the period of availability for funds authorized under direct grants is identified in the grant award letter.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. (2 C.F.R. § 200.343(b)) Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. (2 C.F.R. § 200.343(d)) Consequently, the District will closely monitor grant spending throughout the grant cycle.

Carryover

State-Administered Grants: As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to “carryover” any funds left over at the end of the initial fifteen (15) month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional twelve (12) months. (34 C.F.R. § 76.709) Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

The District Final Expenditure Report (FER) will be reconciled and submitted to TDOE via ePlan. Any carryover funds will be automatically transferred to the current grant application to be budgeted prior to expending. For programs with carryover limitations (i.e., ESSA Title I, Title III), a carryover waiver request letter will be submitted to TDOE if/when the carryover exceeds the cap.

Direct Grants: Grantees receiving direct federal grants are not covered by the twelve (12) month Tydings period (i.e., ESEA-Title VI, SRSA). However, under 2 C.F.R. § 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one twelve (12) month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least ten (10) calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District must seek prior approval from the federal agency when the extension would not be contrary to federal statute, regulation, or grant conditions and:

- The terms and conditions of the federal award prohibit the extension;
- The extension requires additional federal funds; or
- The extension involves any change in the approved objectives or scope of the project. (2 C.F.R. § 200.308(d)(2))

The District will provide written notice to the federal awarding agency at least ten (10) calendar days before the end of the period of performance specified in the award period. The Director of Schools, Director of Charter Schools, and Federal Programs Coordinator will make this decision, with the Director of Schools having final approval. Specific details per the awarding agency will be provided in a written notice from the Director of Schools.

H. Program Income

Definition

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant's period of performance. (2 C.F.R. § 200.80)

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. (2 C.F.R. § 200.80) Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. (2 C.F.R. § 200.307)

Use of Program Income

The default method for the use of program income for the District is the deduction method. (2 C.F.R. § 200.307(e)) Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through entity. (2 C.F.R. § 200.307(e)(1)) The District may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the federal award by the federal agency and the non-federal entity. The program income must then be used for the purposes and under the conditions of the federal award. (2 C.F.R. § 200.307(e)(2))

While the deduction method is the default method, the District must always refer to the grant award letter prior to determining the appropriate use of program income.

Although unlikely, if a grant were to generate income, then the proceeds would be identified with special revenue codes in the sub-fund that identifies solely the federal grant involved.

III. Procurement System

The District maintains the following purchasing procedures.

A. Responsibility for Purchasing

District policy Purchasing and Contracts 2805 requires each authorized charter school to develop its own purchasing procedures. As such, purchasing shall be handled in accordance with the policies and procedures of each school. Annually, schools will submit a copy of their purchasing policies and procedures for review by the District for compliance with these requirements.

[Purchasing and Contracts 2805](#)

B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased. **Note: if state or local procurement policy is more restrictive than the federal purchase methods below, districts must always follow the most restrictive policy.**

[Purchasing and Contracts 2805](#)

Purchase/ Procurement Procedure Minimum Requirements

District policy Purchasing and Contracts 2805 requires each authorized charter school to implement a policy and create procedures for purchasing and procurement. Each authorized charter school's purchasing procedures should include the following information:

- Procurement Documents:
 - What type of procurement document is used? For example, is a purchase order or a requisition used?
 - How is procurement documentation generated? If paper copies, where are those kept and who has access? If electronic, how does the school ensure that only certain people have access? Are the documents pre-numbered?
 - When a purchase is made, what type of information must be contained on the purchase order or requisition?
 - Should include a description of the services to be performed or goods to be delivered, a location where the services are to be performed or goods to be delivered, and the appropriate dates of service or delivery
 - Where is the documentation kept once the purchase is made? What other documentation is maintained with it? Are they recorded in a log?
- Responsibilities:
 - If purchase order/requisition, what position requests the document?
 - What position fills it out, and what position provides approval?

- If a contract, what position writes the contract? Provides approval?
- Required Number and Types of Quotations:
 - How many bids are required for each purchase threshold?
 - Are these bids oral or written?
 - How are they received, if written?
 - Bids must be received before a purchase order, requisition, or contract is made.
 - What position is responsible for obtaining the bids?
 - What documentation is required, and where is it maintained?

Purchases up to \$10,000

Tennessee Code Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body or to develop its own policies and procedures and purchase all supplies, furniture, fixtures, and material of every kind through the executive committee.

T.C.A. § 49-2-203(a)(3)(B) states, "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids." Since the District does not have a local governing body, the latter portion of the statute shall apply, and all purchases less than less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids.

Please see the section of this document titled Purchase and Procurement Procedure Minimum Requirements for additional information regarding authorized charter school purchasing procedures.

[Purchasing and Contracts 2805](#)

Purchases over \$10,000

Tennessee Code Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body or to develop its own policies and procedures and purchase all supplies, furniture, fixtures, and material of every kind through the executive committee.

Regarding purchases estimated to exceed ten thousand dollars (\$10,000), T.C.A. § 49-2-203(a)(3)(A) states "All expenditures for such purposes may follow the prescribed procedures of the LEA's respective local governing body, so long as that body, through its charter, private act or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, it may be waived in case of emergency. If the LEA chooses not to follow the local governing body's purchasing procedures, all expenditures for such purposes estimated to exceed ten thousand dollars (\$10,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency. School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided,

further, that the purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement.” Since the District does not have a local governing body, the latter portion of the statute shall apply, and all expenditures for such purposes estimated to exceed ten thousand dollars (\$10,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency.

In addition, any purchase made with federal funds over ten thousand dollars (\$10,000) must be approved by the District prior to purchase. Authorized charter schools must submit information to the Director of Charter Schools outlining the proposed purchase, its alignment with the District and school Plan and approved budget, and how the purchase meets the District and school purchasing policies and procedures, using the [Purchase Prior Approval Form](#) located in the Appendix of this document. Authorized charter schools shall not proceed with a purchase over \$10,000 using federal funds without prior approval of the Director of Charter Schools. See the section of this document titled Purchase and Procurement Procedure Minimum Requirements for additional information regarding authorized charter school purchasing procedure requirements.

[Purchasing and Contracts 2805](#)

Competitive Proposals: The technique of competitive proposals is normally conducted with more than one (1) source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients. Authorized charter schools shall develop this written method for competitive proposals. The written method should address the factors considered in the evaluation, what position/office performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations and the selection of a vendor, and whether another position reviews the evaluation.

[Purchasing and Contracts 2805](#)

Architectural/Engineering Professional Services: The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to

negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

Contract/Price Analysis: A cost or price analysis is performed in connection with every procurement action in excess of \$150,000, including contract modifications. (2 C.F.R. § 200.323(a)) A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District/schools must come to an independent estimate prior to receiving bids or proposals. (2 C.F.R. § 200.323(a))

When performing a cost analysis, the school negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. (2 C.F.R. § 200.323(b))

Authorized charter schools purchasing and procurement procedures should address the following with regard to contract/price analysis: Which persons/positions are responsible? Are similar prior procurements analyzed? What other research is performed? Is there a review process?

[Purchasing and Contracts 2805](#)

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one (1) source and may be used only when one (1) or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
- After solicitation of a number of sources, competition is determined inadequate.

Educational Consultants and Similar Services: In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1):

Contracts by counties, cities, metropolitan governments towns, utility districts and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by



professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

Each authorized charter school's purchasing/procurement procedures should include a description of when and how the school uses the noncompetitive proposal method, with regard to sole source proposals. This should include who is required to provide approval and what documentation is maintained to justify sole sourcing. Additionally, the policy may define "public exigency or emergency."

Sole Source Purchases Over \$10,000

Any purchase using federal funds over \$10,000 via noncompetitive proposal must be approved by the District prior to purchase. Authorized charter schools must submit information to the Director of Charter Schools using the [Purchase Prior Approval Form](#) located in the Appendix, which requires the school to outline the proposed purchase, including a detailed justification for the sole source procurement and how the purchase meets the District and school purchasing policies and procedures. The justification shall include evidence supporting the need for the procurement of the goods/services, the contractor's experience providing the goods/services, as well as the selection process and efforts undertaken to identify reasonable, competitive procurement alternatives. Examples of justification for sole source procurements include, but are not limited to the following:

- Only one company has the good or service that will meet the school's needs;
- Compatibility of existing equipment or products is at issue;
- The good or service is covered by one or more patents or copyrights;
- Continuity of results is absolutely dependent upon the specific good or service;
- The supplier possesses exclusive capabilities for the good or service at issue that are not obtainable from similar suppliers;
- An unusual or compelling urgency exists; or
- School users have extensive training or experience and use of similar goods or services would require significant reorientation and training.

Authorized charter schools shall not proceed with a non-competitive purchase over \$10,000 without prior approval of the Director of Charter Schools or their designee.

Cost Price Analysis and Sole Source

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

C. Purchase Cards

Each authorized charter school shall have a policy or procedure outlining whether or not it will use purchase cards. If it determines purchase cards will be allowed, the policy or procedure should:

- Describe what positions are provided with a procurement card, provide detail on what types of purchases can be made (e.g., gas, hotels or other travel expenses), and state the maximum amount that can be charged.
- Describe the documentation that must be maintained for purchases made with purchase cards.
- Describe what controls are in place to ensure that procurements made with purchase cards are compliant with federal cost principles.
 - For example, are card statements reviewed by another individual? If this individual finds a suspicious purchase, what is the protocol? What is the mechanism to obtain refunds from individuals who do not use a purchase card correctly?

[Purchasing and Contracts 2805](#)

D. Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R § 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition:

Geographical Preferences Prohibited

The District and its authorized charter schools must conduct procurement in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Prequalified Lists

The District and its authorized charter schools must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District and its authorized charter schools must not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The District and its authorized charter schools must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurement, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated and identify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals. (2 C.F.R § 200.319(c))

E. Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

The District and its authorized charter schools must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives and another other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with federal funds.

[Purchasing and Contracts 2805](#)

Use of Intergovernmental Agreements

To foster greater economy and efficiency, the District shall enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Use of Federal Excess and Surplus Property

The District and its authorized charter schools shall consider the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Debarment and Suspension

The District and its authorized charter schools shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The District and its authorized charter schools may not subcontract with or award sub-grants to any person or company who is debarred or suspended, and the District/schools are required to check for excluded parties at the System for Award Management website before any procurement transaction. This list is located at: <http://www.sam.gov/>.

[Purchasing and Contracts 2805](#)

Maintenance of Procurement Records

The District and its authorized charter schools must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred. Each authorized charter school shall maintain such records for the time specified by law and be able to produce such records to the District upon request.

[Purchasing and Contracts 2805](#)

Time and Materials Contracts

The District and its authorized charter schools may use a time and materials type contract only if (1) after a determination that no other contract is suitable and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of the actual costs of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the District and its authorized charter schools must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlement of Issues Arising Out of Procurements

The District and its authorized charter schools alone are responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to: source evaluation, protests, disputes, and claims. These standards do not relieve the District or its authorized charter schools of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

Authorized charter schools shall maintain protest procedures to handle and resolve disputes relating to procurements and, in all instances, disclose information regarding the protest to the awarding agency.

Authorized charter school protest procedures must be in accordance with state and local law. Issues that should be addressed include, but are not limited to: how potential vendors receive notice of ability to protest, what position/office receives the protest, what position/office reviews the protest, whether a report of the review is provided to the complainant, and timeframes for both making the protest and reviewing the protest. The position/office that reviews the protest should be different than the one that awarded the contract.

F. Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 C.F.R. § 200.18(c)(1), the District and its authorized charter schools should maintain the following standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, awarding, and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District and its authorized charter schools may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

[Code of Ethics and Conflict of Interest 1106](#)
[Purchasing and Contracts 2805](#)

Organizational Conflicts

Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. (2 C.F.R § 200.318(c)(2))

[Code of Ethics and Conflict of Interest 1106](#)

[Purchasing and Contracts 2805](#)

Disciplinary Actions

Each authorized charter school shall develop a grievance and complaint policy which shall apply to complaints against individual(s) who violate the standards of conduct.

[Code of Ethics and Conflict of Interest 1106](#)

[Grievances and Complaints 1200](#)

Mandatory Disclosure

Upon discovery of any potential conflict, the authorized charter school shall notify the District, who will disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy.

G. Contract Administration

The authorized charter schools shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (2 C.F.R. § 200.318)

For property, each authorized charter school's purchasing and procurement procedures should discuss what position/office(s) receives any purchased property, how a receiving report is generated, and what information is included. The procedures should ensure that there is a proper segregation of duties. For example, the person who signs the contract or issues the purchase order should be different from the person who ensures the proper goods were received. (See the Property Management section of this document for additional information.)

For services, each authorized charter school's purchasing and procurement procedures should discuss what position/office ensures that the services are provided and discuss how this position will do so. Again, proper segregation of duties is important.

IV. Property Management Systems

A. Property Classifications

Equipment The federal definition of equipment means tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000. (2 C.F.R. § 200.33) The State of Tennessee definition of *equipment* applies as follows: *equipment* is “all items (machinery, implements, tools, furniture, livestock, vehicles, and other apparatus) with a unit cost of \$5,000.00 or more and a minimum useful life expectancy of three (3) years.” *(Please note that the definition in EDGAR includes a useful life expectancy of one (1) year or more—because the state definition is more restrictive it must be used.)* Freight charges and installation cost should be included as cost of equipment.

Sensitive minor equipment is defined as “items purchased with a cost between \$100.00 and \$5,000.00.” It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State Personal Property Section as well as all items subject to special education guidelines.

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life. (2 C.F.R. § 200.94)

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. (2 C.F.R. § 200.20)

Capital assets means tangible or intangible assets used in operations having a useful life of more than one (1) year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance.) (2 C.F.R. § 200.12)

B. Inventory Procedure

Each authorized charter school shall develop an inventory procedure that describes the process that is performed when inventory is received, including answers to the following questions:

- Where is new inventory received?

- What position inspects the property to make sure it's in good condition and that it matches what is listed on the purchase order and invoice?
- Is a receiving report produced? What information is included? Where is the receiving report kept and with what other documentation?
- Who logs into the property management system?
- What type of property is tagged, and what position/office performs the tagging?
 - All equipment and sensitive items including computing devices, such as laptops, smartphones, and tablets, should also be tagged.
- What positions are responsible for configuring or installing certain types of equipment and/or computing devices?

[Inventory and Equipment 2702](#)

C. Inventory

For each equipment and computing device purchased with federal funds, including sensitive minor equipment, the following information shall be maintained by each authorized charter school:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use, and condition of the property; and
- Any ultimate disposition data, including the date of disposal and sale price of the property.

A sample inventory tracking record is included in the Appendix to these procedures. Each authorized charter school shall develop a process to maintain and adjust the inventory records in the event the property is sold, lost or stolen, or cannot be repaired. A separate inventory form shall be kept for purchases made with IDEA funds.

[Inventory and Equipment 2702](#)

D. Physical Inventory

Annually, each authorized charter school must conduct a physical inventory of the property, and the results must be reconciled with the property records at least once a year. The school's inventory procedure should outline how the physical inventory is performed.

- What position/office performs the physical inventory?
- Is there a specific time period when the inventory is performed?
- How is the reconciliation performed between the physical inventory and the property records?

[Inventory and Equipment 2702](#)

E. Property/Equipment Maintenance

In accordance with 2 C.F.R.313(d)(4), each authorized charter school shall create maintenance procedures to ensure that property is maintained in good condition. Procedures should describe what restrictions are placed on the use of equipment and/or computing devices and what position and/or office should be contacted if it appears an item is broken.

[Inventory and Equipment 2702](#)

F. Lost or Stolen Items

The District's authorized charter schools shall maintain a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of property. Equipment that is stolen shall be reported to the local jurisdiction of law enforcement, and a police report shall be filed.

[Inventory and Equipment 2702](#)

G. Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

[Inventory and Equipment 2702](#)

H. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a



federal awarding agency, the authorized charter school shall notify the District, who shall contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Authorized charter schools shall establish sales procedures, including responsible persons/positions to ensure the highest possible return, what position/office handles the sale of unneeded equipment, and the number of offers that must be received.

[Property Sales 2403](#)

V. Written Compensation Policies

A. Time and Effort

Time and Effort Standards

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. (C.F.R. § 200.430(i)(1)) In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching, must also keep time and effort documentation. (2 C.F.R. § 200.430(i)(4))

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 C.F.R. § 200.430(i)(1), these records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally-assisted and all other activities compensated by the District on an integrated basis;
- Comply with the established accounting policies and practices of the District; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. (200.430(i)(1)(viii))

Time and Effort Procedures

In order to meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. (2 C.F.R. § 200.28)

All employees whose work is funded fully (100%) by a single cost objective or grant award must complete a semi-annual certification. The semi-annual certification must be:

1. Completed at least every six (6) months (twice a year);



2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and
4. Account for the total activity for which each employee is compensated.

A PAR must be completed if an employee is funded partially on one (1) or more grant cost objective(s). It provides a written record of an employee's work activities used to document that employee's time to grants or projects. It must be completed monthly and supported by a daily calendar of activities. All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity, not budget estimate;
2. Account for the total work activity for which each employee is compensated;
3. Are prepared at least monthly (A separate PAR for each month) & coincide with one (1) or more pay periods; and
4. Are signed by the employee.

All employees who are paid in full or in part with federal funds must keep specific documents to support the amount of time they spent on grant activities as reflected in each month's PAR. This includes an employee whose salary is paid with state or local funds but is used to meet a required "match" in a federal program. These documents, known as time and effort records, should be maintained in order to charge the costs of personnel compensation to federal grants. Examples of records used to support the time entered in each month's PAR include desk calendars or written records of activity for each day/week, etc.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. (2 CFR 200.430-431) These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally-assisted and all other activities compensated by the school on an integrated basis;
- Comply with the established accounting policies and practices of the school; and,
- Support the distribution of the employee's salary or wages among specific activities or costs objectives.

Expenditure of Funds 2800

See Appendix for [Sample PAR](#) and [Semi-Annual Certification](#) Forms

Reconciliation and Closeout Procedures

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. Additionally, the recipient must have a system of internal controls to review after-the-fact interim charges made to a federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

In order to reconcile actual costs to budgeted distributions, the District Federal Programs Coordinator will conduct quarterly reconciliation of PAR forms with budgeted distributions. This will include review of PAR forms as well as supporting documentation. The District Federal Programs Coordinator will track PAR form ratios versus budgeted distributions on a form which will be provided to authorized charter schools after each quarterly review. For District employees required to fill out a PAR, the employee's supervisor will conduct quarterly reviews of the employee's PAR forms.

At the end of the fiscal year, all the time and effort certifications are collected by the District Federal Programs Coordinator and reviewed for accuracy and appropriate signatures and dates.

Monthly Budget Statements

All schools will receive a monthly budget statement which will include detailed updates on the grant allocations, payments made, payments pending, and remaining balances for each award. Monthly budget reports will be provided to schools around the 15th day of each month. Monthly budget reports will be provided each month beginning the month following grant acceptance and recurring through grant closeout.

The information provided in the reports will directly relate to the approved grant budget included with the grant award notification and list information such as the following:

- Total grant dollars awarded
- Total funds expended to-date (if applicable)
- Total funds remaining
- Comments (if applicable)

Grant Closeout Procedures

Award closeout procedures are initiated ninety (90) days prior to the award end date, and an award closeout notice and a closeout checklist will be sent to the grantee/school. The notice is a reminder of the reporting requirements and due dates, and the checklist outlines items that need to be addressed prior



to the award end date. After receipt of the award closeout notice, the grantee/school should review the project closeout checklist and begin to finalize all project activities.

The grant closeout is a critical piece in the life cycle of a grant. Preparation for closeout should begin three (3) months prior to the end date of the grant in order to accurately forecast expenses and any adjusted entries that need to be made.

Listed below are some of the responsibilities involved in the grant closeout process and who has a role in each specific task:

TASK	FEDERAL PROGRAMS (FP) TEAM	SCHOOL	FINANCE TEAM
Email notification to schools regarding grant closeout	Sends email (award closeout notice) to schools ninety (90) days prior to the end date of the award which includes a closeout checklist.	Responds to email; if no response, proceeds with closeout.	Reconciles balances paid versus budgeted amounts.
Follow-up communication (Monitor end of award date)	Informs schools that award is ending in sixty (60) days.	Informs FP team of any changes or concerns.	Confirms funding availability status as needed.
Budget Revisions	Reviews and approves final budget revisions and, if needed, returns to school for additional information.	Submits final budget revision requests to FP sixty (60) days prior to end of award.	Processes budget revision if it meets all criteria.
End of Year (EOY) Final Expenditures Report	Sends schools notification and template for EOY reports thirty (30) days prior to the end of award.	Completes and submits to FP within thirty (30) days after the end date of award.	
Inactivating the award	Closes out the grant. Sends schools closeout form to review and sign. Moves electronic files to closed folders on the M drive; moves hard copy of documents to the closed file.	Reviews, signs, and submits the closeout form to FP.	Draws down final expenses from ePlan and completes FERS within ninety (90) days of the end of award.

Roles and Responsibilities

As the primary responsible entity, the school:

- Certifies the effort expended on the grant for those personnel charged to his/her award;
- Determines that all charges to his or her grants are proper and accurate under the terms and conditions of the award;
- Ensures that final expenditures do not exceed the budget of the award;
- Reviews monthly reports of charges and budget transactions associated with the grants; and
- Notifies the Federal Programs team of any errors so they can be corrected.

Grant award closeouts will begin within sixty (60) days of the end date of the award. Any allowable budget revisions or corrections must occur during this period or they cannot be processed. Federal or federal pass-through awards with either a surplus or a deficit will be closed within ninety (90) days of the end date or after all project, financial, and technical reports have been submitted to the Federal Programs team. This is in keeping with the federal requirement that all reporting be completed within ninety (90) days of the project's end date. Unspent federal funds will be handled as directed by the federal guidelines.

Employee Exits

Each authorized charter school shall develop policies or procedures outlining employee separation practices. Such policies and procedures shall include the requirement that upon termination, any leave balance paid to a federally-funded employee above the amount of leave earned in the current project shall not be paid from federal funds.

[Accountability and Responsibility of the State Board and Charter Schools 1900](#)

B. Human Resources Policies

Authorized charter schools shall have human resource policies which at minimum cover:

- (1) How employees are hired (2 C.F.R. § 200.430(a)(2));
- (2) The extent to which employees may provide professional services outside the District (2 C.F.R. § 200.430(c));
- (3) The provision of fringe benefits, including leave and insurance (2 C.F.R. § 200.431);
- (4) The use of recruiting expenses to attract personnel (2 C.F.R. § 200.463(b)); and
- (5) Reimbursement for relocations costs. (2 C.F.R. § 200.464)

[Accountability and Responsibility of the State Board and Charter Schools 1900](#)

[Application and Employment 5106](#)

VI. Record Keeping

A. Record Retention

The District and its authorized charter schools shall maintain all records that fully show: (1) the amount of funds under the grant or sub-grant; (2) how the sub-grantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and, (6) other records to show compliance with federal program requirements. (34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731) The District also shall maintain records of significant project experiences and results. (34 C.F.R. § 75.732) These records and accounts must be retained and made available for programmatic or financial audit.

The U.S. Department of Education is authorized to recover any federal funds misspent within five (5) years before the receipt of a program determination letter. (34 C.F.R. § 81.31(c)) Consequently, the District and its authorized charter schools must retain records for a minimum of five (5) years from the date on which the final financial status report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. (2 C.F.R. § 200.333)

When records are no longer needed, they will be disposed of in a manner as to ensure complete destruction.

[Financial Records 2701](#)

B. Collection and Transmission of Records

Authorized charter schools shall have a procedure or policy addressing how records are maintained.

The majority of District records will be kept electronically, unless otherwise required to be kept in paper form. For records that are kept electronically, 2 C.F.R. § 200.335 allows recipients to transmit them electronically, meaning there is no need to make paper copies. Records are transmitted by the District electronically via ePlan to the state for monitoring, as well as provided physically when requested. Records for all federal reimbursements are scanned by TDOE accounting into Edison and are kept in paper form as well.

[CTAS-2056](#) – Tennessee Department of Education Records Retention Schedule

[Financial Records 2701](#)



C. Access to Records

The District and its authorized charter schools will provide the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity or any of their authorized representatives the right of access to any documents, papers, or other records of the District or authorized charter school which are pertinent to the federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District's and authorized charter school's personnel for the purpose of interview and discussion related to such documents.

D. Privacy

The District and its authorized charter schools will maintain policies and procedures to ensure that personal information of both students and employees is protected.

[Public Records 1407](#)

[Personnel Records 5114](#)

[Attendance 6200](#)

[Student Records and Confidentiality 6600](#)

VII. Sub-recipient Monitoring

In the event that the District awards sub-grants to other entities, it is responsible for monitoring those grant sub-recipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a sub-grant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

According to CFR 200.331, the District as a pass-through non-federal entity must monitor its sub-recipients to assure compliance and performance goals are achieved. The Federal Programs team annually will determine which schools are monitored based on multiple criteria, including monitoring history, history of past audit findings, reports of fraud, history of late application and late report submissions, etc. Monitoring must include:

1. Review of programmatic implementation and fiscal components of specific grant programs (via online document collection and on-site review);
2. Corrective action (follow-up activities ensuring sub-recipients take timely, appropriate action to cure deficiencies); and
3. Issuance of a “management decision” on audit findings.

Examples of required monitoring artifacts:

- Tennessee School Improvement Plan (TSIP)
- Professional development plan
- Family engagement plan
- Agendas and sign-in sheets for professional development, Title I meetings, etc.
- Conflict of interest policies
- Procurement procedures/policies
- Time and effort procedures/policies
- Audit reports
- Accounting procedures/processes
- Record retention procedures/policies

Schools will receive a monitoring guidebook from the District outlining the specific monitoring process, including required documentation and information. In addition, at any time during the grant award period, the District Federal Programs team may pre-arrange a visit to any grant-related school for the purpose of assessing grant compliance or for validating that special conditions, if any, are appropriately met. The District Federal Programs team will follow standard notification procedures for arranging an on-site visit and expects the assistance of school representatives with this endeavor.

Fiscal Compliance

For the successful completion of a grant award, schools must manage the expenditure and use of funds to ensure that grant award goals and terms and conditions are being met, projected milestones are being accomplished, quality materials and services are being received, and other performance goals are being achieved, in accordance with the approved grant award. Expenditures must be aligned with approved budgeted items. Any changes or variations from the approved budget will need prior approval from the District Federal Programs team.

Allowability

As a measure of compliance, schools must ensure that all costs supported by federal education funds are allowable and meet the standards outlined in EDGAR, 2 CFR Part 3474, and 2 CFR Part 200 (Subpart E).

When determining allowability, the cost must:

- Be necessary, reasonable, and allocable. District and school staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. Reasonableness also means that sound business practices were followed, and purchases were comparable to market prices.

A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. (2 C.F.R. §200.405) For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.

- Conform with federal law & grant terms.
- Be consistent with state and local policies.
- Use consistent treatment.
- Be determined in accordance with generally accepted accounting principles (GAAP).
- Not be included as match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.
- Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. (2 C.F.R. §200.406)
- Be adequately documented. All expenditures must be properly documented.

Supplement not Supplant

When determining whether a fiscal expenditure supplements and not supplants, schools should run the following three tests.



Test I: Required – Is the program or activity that the school wants to fund required under state, local, or another federal law? If it is, then it is supplanting. If it is not, go to Test II.

Test II: Equivalency – Were state or local funds used in the past to pay for this program or activity? If they were, it is supplanting. If they were not, go to Test III.

Test III: Non-Title I Programs – Are the same programs or activities being implemented in other schools that do not receive Title I funds AND are these programs and activities being paid for with state or local funds? If yes, then this is supplanting. If no, this is not supplanting.

If an expenditure does not pass all of the above tests, then it is presumed that use of funds for the expenditure would be supplanting state or local funds. Expenditures must pass all three tests to be truly supplemental. Any supplanting issue could result in an auditor’s finding that could include but not be limited to a return of funds used for supplanting.

Non-Compliance

Whenever the District Federal Programs team determines that a recipient of any award funds has failed to comply with the requirements of the grant program, the Federal Programs team will notify the primary contact for the school with notice of non-compliance and will request appropriate compliance action. Non-compliance may include failure to manage the grant funds according to the approved grant award or violation of applicable federal and/or state laws or regulations. If, within a reasonable period, the school fails or refuses to comply, the District may take any of the following actions in accordance with CFR 200.207, 200.338:

- Withhold payments to the grantee/school
- Require repayment of funds improperly spent
- Reduce payments to the grantee/school by an amount equal to the amount of such payments that were not expended in accordance with the requirements of the grant
- Require more detailed reporting
- Require additional monitoring
- Require grantee/school to obtain technical or management assistance
- Establish additional prior approvals
- Take such other action as may be provided by law or regulation

Opportunity for Consultation- Prior to a sanction (reduction, withdrawal, or adjustment of an award or other appropriate action taken) related to noncompliance, the grantee/school will be notified of such proposed action and given an opportunity, within a reasonably prescribed time period, to have an informal consultation with the Federal Programs team.

[Accountability and Responsibility of the State Board and Charter Schools 1900](#)

[Financial Records 2701](#)

[Expenditure of Funds 2800](#)

VIII. Frequently Asked Questions

[Reserved for future use]

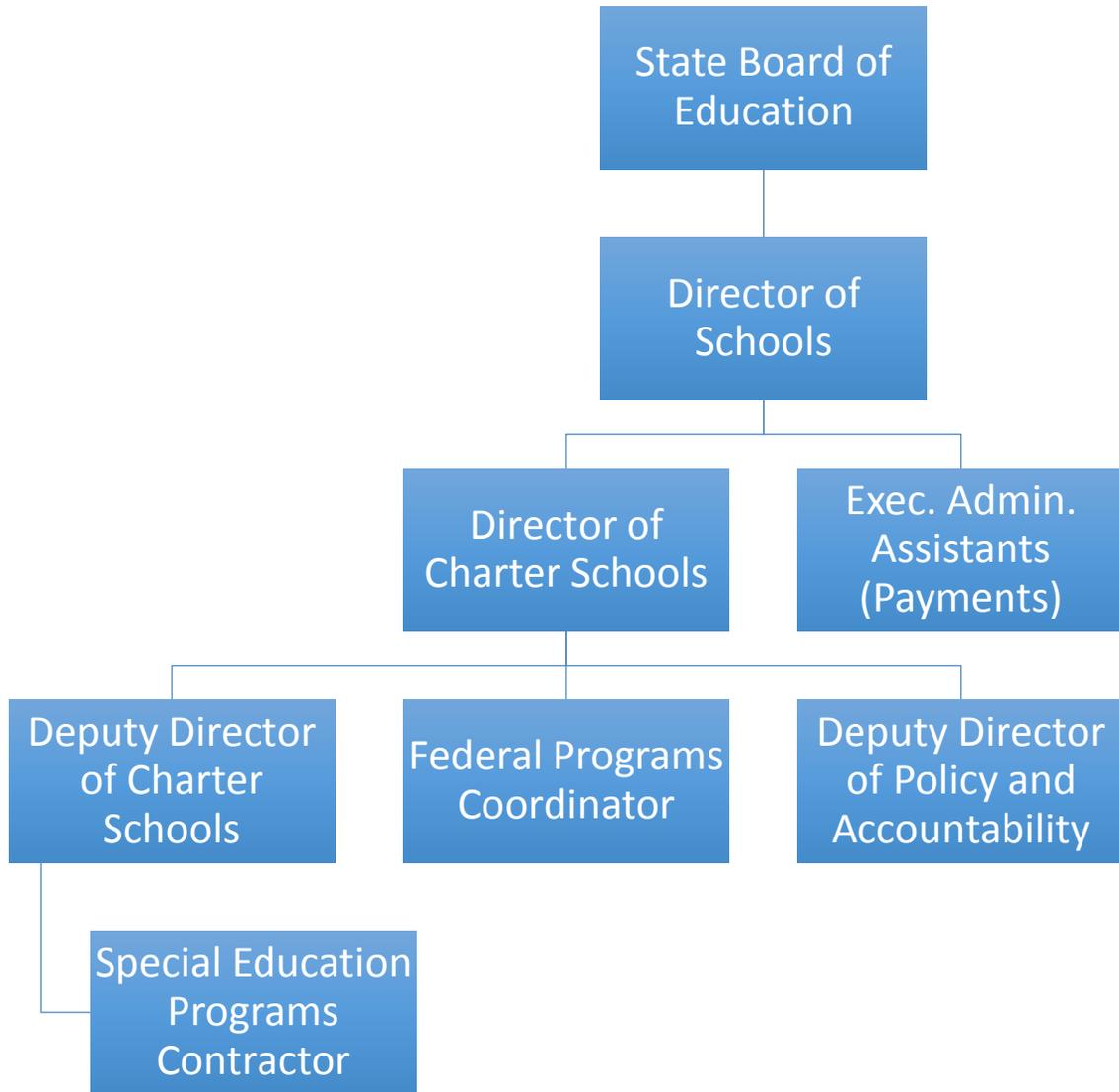
IX. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to a federal grant.

- Education Department General Administrative Regulations (EDGAR)
 - <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)
 - <http://www.eC.F.R.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rqn=div5>
- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 3474)
 - http://www.eC.F.R.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/eC.F.R.browse/Title02/2C.F.R.3474_main_02.tpl
- Federal program statutes, regulations, and guidance
 - <http://www.ed.gov/>
- State regulations, rules, and policies
 - TN State Board of Education Rules and Regulations
 - <http://share.tn.gov/sos/rules/0520/0520.htm>
 - TN State Board of Education Policies, Standards, and Guidelines
 - <https://tn.gov/sbe/topic/policies>
- District regulations, rules, and policies
 - State Board of Education LEA Policies
 - <http://tn.gov/sbeschools/topic/district-policies>

X. Appendix

District Organizational Chart



Property Inventory Sample Form

Description of the Property	Serial Number or Other Identification Number	Source of Property	Who Holds Title	Acquisition Date	Cost of the Property	% of Federal Participation in the Cost of the Property	*Original Purchase Price/Fair Market Value	Location of the Property	Use of the Property And the Condition of the Property	Ultimate Disposition Data—Date and Sale Price—to be added after disposition

* Fair market value only if original cost was \$5,000 or greater.

Personnel Activity Report Sample Form

**Personnel Activity Report
(PAR)**

Employee Name: _____

Employee Identification No: _____

Month	Year	Percentage of Time Worked by Activity								TOTAL % of Time Worked
		Title I School Wide Plan %	Title II %	IDEA %	Pre K Expansion %	County Commission %	Volunteer Pre K %	Safe School %	BEP	

The signatures below certify this employee performed activities reflected in the attached log as distributed by the above percentages during the month specified.

Signature of Employee

Date

Position Title

School Name

Signature of Supervisor (optional)

Date

**Only provide information/percentages for the grants in which you are awarded.*



Semi-Annual Certification Sample Form

Semi Annual

This form is provided in accordance to 2 CFR §200.430(i) Standards for Documentation of Personnel Expenses. As such, I certify that 100% of the position of the employees listed below are allowable and allocable to

_____ activities under

(Title I School Wide Plan, Title IIA, Title III, Title IV, Title V, Title VI, Title X, Consolidated Administration) funds for the period beginning _____ and ending

_____.

Table with 4 columns: Name of Employee, Position, Employees Signature, Date. Multiple empty rows for data entry.

Supervisor's Signature _____

Date _____

Position Title _____

School Name / Job Location _____



Purchase Prior Approval Form

Authorized charter schools shall use this form to request prior approval of purchases made using federal funds over \$10,000. Authorized charter schools must submit information to the Director of Charter Schools outlining the proposed purchase, its alignment with the District and school plan and approved budget, and how the purchase meets the District and school purchasing policies and procedures.

In addition, authorized charter schools shall use this form to request prior approval of purchases made using federal funds over \$10,000 via sole source procurement. Authorized charter schools must submit a detailed justification for the sole source procurement and how the purchase meets the District and school purchasing policies and procedures.

For additional information regarding use of this form, please see the State Board's Operating Policies and Procedures for Implementation and Administration of Federal Education Programs, section on Purchase Management.

Forms must be submitted to the Director of Charter Schools at Tess.Stovall@tn.gov.

Requestor Name:

Requestor Title:

Date:

School Name:

Description of Proposed Purchase:

Description of Alignment with School and District Plan:

Location within Approved Budget (line item and account number):



Description of How the Purchase Meets District and School Purchasing Policies and Procedures:

Is This a Sole Source Procurement? YES NO

If Yes, Provide a Detailed Justification for the Sole Source Procurement (including evidence supporting the need for the procurement of the goods/services, the contractor's experience providing the goods/services, as well as the selection process and efforts undertaken to identify reasonable, competitive procurement alternatives):

State Board Office Use Only
Date Received:
Approved/Denied
Reason for Denial:
Director of Charter Schools/Designee Signature:
Date: